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SPECIAL REPORT

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THE MAYOR'S FY 1983 BUDGET RECOMMENDATIONS

For FY 1983, the second year of Proposition 2½ and the first year since FY 1980 without the burden of Tregor abatements, the Mayor has proposed a City department budget of $266.5 million. That is $58.6 million or 28% above last year's budget. With an estimated $20 million deficit for FY1982 however, the real increase is actually much less. The Mayor recommended a separate Health and Hospitals Department budget of $107.2 million, up $7.5 million or 8%. Hospital revenues are expected to reach $102.7 million, so that only $4.5 million of City funds will be allocated for hospital services. The recommended Suffolk County budget is $16.2 million, up $4.6 million or 40%. No salary increases are included in these original budgets. The City is now negotiating the Police and Fire Department contracts for both FY 1982 and 1983. The contracts for most other City employees expired on June 30 and new agreements must be reached. Thus the aggregate budget increase of $70.7 million could jump substantially after all contracts are settled.

The new City budget as now proposed is actually $2.8 million less than the FY 1981 City appropriation. Still the City Council can make reductions. The Mayor has recommended higher spending for all but three City accounts. The budget establishes 798 new jobs, which would mean a total of 1,065 positions will have been created or restored since last January. Some cuts in proposed jobs and other expenses may be necessary to provide for employee salary increases not included in this original budget. Changes in collective bargaining contracts and more emphasis on productivity should allow for adequate delivery of essential services without the need to return to 1980 employment levels.

Reasons For the Budget Increases

Key factors in the recommended increases for City departments are restoration of services, more realistic budgeting and compensation for the loss of federal funds. As an example, last year the Public Works Department budget was set at $24.5 million, a cut of 27% from the prior year. This department has a large amount of non-discretionary costs for services such as street lighting and rubbish collection, and its 1982 spending totaled $27.6 million. This year the Mayor is asking $32.2 million. The City budgeted health insurance at $10.2 million in FY 1982 but spent about $21.5 million. This year's recommendation is $21.3 million. The higher Police and Fire Department budgets stem in part from the minimum manning requirements in the Funding Loan Act. However, there is a proposed increase of $4.6 million or 112% for the Public Facilities Department. That comes despite the fact the Policy Management Office, which was a part of this department last year, is budgeted separately this year with an appropriation of $917,903. The proposed 40% increase for Suffolk County also reflects more realistic budgeting, though with some room for growth as well.

An Emphasis on Contractual Services

At first glance it would appear that the Mayor is placing more emphasis on contractual services this year. That share of the City budget totals 18.6%, up from last

year's 15.2%. While this shift in emphasis is real, it will be reduced when the next round of pay raises is counted into the personal services accounts. In addition, the Public Works Department accounts for $8.7 million or 49% of the total contractual services increase. Much of that reflects both the underbudgeting of last year and this year's renegotiation of the rubbish contracts.

Dept./Service	FY 1982 Appropriation	FY 1983 Recommend.	Variance	%
Police	$53,501,160	$56,918,160	$3,417,000	6.4%
Fire	45,236,100	46,736,100	1,500,000	3.3
Public Works	24,455,680	32,214,423	7,758,743	31.7
Parks and Recreation	4,600,000	6,200,000	1,600,000	34.8
Library	8,191,200	11,123,282	2,932,082	35.8
Public Facilities	4,105,480	8,682,816	4,577,336	111.5
Traffic and Parking	3,816,865	6,046,999	2,230,134	58.4
Parking Clerk	3,942,000	4,989,169	1,047,169	26.6
Hospital and Insurance	10,241,380	21,267,000	11,025,620	107.7
All City Departments	$207,902,105	$266,478,329	$58,576,224	28.2%
Health & Hospitals	$99,666,409	$107,231,000	$7,564,591	7.6%
Suffolk County	$11,602,058	$16,201,689	$4,599,631	39.6%

Personnel Increases: 798 in FY 1983

Of the proposed 798 new positions, increases in the Police (+174) and Fire (+170) Departments represent 43% of the total. Additional positions in the Assessing Department (+58) are for a new organizational structure to be in place after revaluation. The Property Equalization budget for half the year adds 73 new positions in an effort to finish the revaluation of the City before January. Personnel increases in these four departments represent 60% of the total. The proposed FY 1983 job quota of 7,322 is 1,251 or 15% less than the number of positions counted by the Bureau on January 1, 1981. The City Council should carefully question the need for establishing or restoring 798 positions and losing some of the economies achieved in 1981.

What Is Missing

The budgets now before the City Council represent only about 40% of the expected total City operational budget. Not yet presented to the Council is the school budget, at least $211.5 million plus the amount for negotiated salary increases. There are other major expenses not appropriated by the City Council. These include expenditures for pensions, debt service, MBTA and other state assessments, abatements and prior-year deficits.

The budget is not a complete document in that it presents only the recommended expenditures. The revenue estimates to support such expenditures are not shown. With the exception of general revenue sharing, no federal programs or revenues for the various departments are included to provide a complete budget picture. Finally, there is little narrative to explain the Mayor's related policy goals or the reasons for the budget changes.

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